



COUNTY OF LOS ANGELES

Public Health

JONATHAN E. FIELDING, M.D., M.P.H.
Director and Health Officer

CYNTHIA A. HARDING, M.P.H.
Acting Chief Deputy Director

313 North Figueroa Street, Room 806
Los Angeles, California 90012
TEL (213) 540-8117 • FAX (213) 975-1273
www.publichealth.lacounty.gov



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November 8, 2012

TO: Each Supervisor

FROM: Jonathan E. Fielding, M.D., M.P.H.
Director and Health Officer

SUBJECT: **NOTIFICATION OF THE USE OF DELEGATED AUTHORITY TO AMEND FOUR CONTRACTS FOR THE PROVISION OF DRUG/MEDI-CAL SERVICES**

This is to notify you that I am exercising the delegated authority approved by your Board on June 7, 2011, to execute amendments to Drug/Medi-Cal (DMC) agreements that increase or decrease the contractual maximum obligations, pursuant to the federal ruling of Sobky v. Smoley, subject to review and approval by County Counsel, and notification to your Board and the Chief Executive Office.

Pursuant to both State legislation and the federal ruling of Sobky v. Smoley, counties are required to enter into agreements with all State-certified DMC service providers who request service contracts and who demonstrate the ability to comply with all local requirements. Moreover, when these agencies request additional funds necessary to provide services to persons eligible for DMC program services, counties are required to amend the DMC agreements to reflect the additional services and funding. Under the federal ruling, counties have no basis to deny reimbursement for services if the contractor is in full compliance with contractual requirements.

Under the delegated authority referenced above, I will execute the following DMC amendments for the term of July 1, 2011 through June 30, 2014, which includes a rate adjustment for fiscal years 2012-13 and 2013-14; 100 percent offset by State Realignment revenues as authorized under Assembly Bill 118 and federal Medicaid matching funds:

- 1) Agreement Number PH-001771 with Southwest Care, Inc. to increase the annual funding by \$42,670, increasing the annual obligation from \$185,668 to \$228,338, and the total maximum obligation from \$557,004 to \$685,014, to provide additional Day Care Habilitative Services;
- 2) Agreement Number PH-001818 with Lavelle Youth Homes to increase the annual funding by \$50,000, increasing the annual obligation from \$700,000 to \$750,000, and the total maximum obligation from \$2,100,000 to \$2,250,000, to provide Day Care Habilitative Services;
- 3) Agreement Number PH-001834 with Okuli Eagle's Nest Foundation, Inc. to increase the annual funding by \$26,000, increasing the annual obligation from \$320,000 to \$346,000, and the total maximum obligation from \$960,000 to \$1,038,000, to provide additional Outpatient Drug Free Services and Day Care Habilitative Services; and

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- 4) Agreement Number PH-002148 with Crystal Hope Medical Services, Inc. to increase the annual funding by \$311,862, increasing the annual obligation from \$200,000 to \$511,862, and the total maximum obligation from \$600,000 to \$1,535,586, to provide additional Outpatient Drug Free Services and Day Care Habilitative Services.

County Counsel has reviewed and approved the amendments as to form and this delegated authority action.

If you have any questions or need additional information, please let me know.

JEF:yl
#02453

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors